



Carroll D. Besadny
Secretary

State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

101 South Webster Street
Box 7921
Madison, Wisconsin 53707
DNR TELEFAX 608-267-3579
DNR TDD 608-267-6897
SOLID & HAZARDOUS WASTE MGMT 608-266-2111
SOLID & HAZARDOUS WASTE FAX 608-267-2768

July 15, 1992

File Ref: FID# 415011410
Door County
HWS - HW Lic. File

Mr. Tom Anders, Environmental Affairs Mgr.
Peterson Builders, Inc.
P.O. Box 650
Sturgeon Bay, WI 54235-0650

SUBJECT: Release of Financial Responsibility
Peterson Builders, Inc.
WID 096828975

Dear Mr. Anders:

On April 23, 1991, Peterson Builders, Inc. notified the Department of Natural Resources that the company intended to close its hazardous waste storage facility at 107 East Walnut Street in Sturgeon Bay, Wisconsin. A closure inspection was performed on March 17, 1992, and the facility was found to have closed in conformance with the applicable portions of the approved closure plan. The facility's interim license was revoked on March 27, 1992.

Based on a review of file information and other submittals by Peterson Builders, Inc., the Department of Natural Resources had determined that the hazardous waste storage facility at 107 East Walnut Street in Sturgeon Bay is closed. Proof of financial responsibility required under s. NR 685.07, Wis. Adm. Code, is no longer required. Therefore, the Department releases the Closure Performance Bond issued on November 24, 1981 (no bond number), and Closure Performance Bond No. 55-105486 issued on June 12, 1986. Copies of the bonds marked "Released" are attached. The change to generator status also formally relieves you of the duty to provide proof of financial responsibility for liability coverage required under s. NR 685.08, Wis. Adm. Code.

Under the State of Wisconsin open records law, (Ch. 335, Laws of 1981), the closure bonds are public property and therefore the originals cannot be returned. If you have any questions regarding this matter, please contact Colleen Hellenbrand at (608) 267-7515.

Sincerely,

Paul P. Didier
Paul P. Didier, P.E., Director
Bureau of Solid & Hazardous Waste Management

PPD:CDH

Attach.

cc: Len Polczinski - LMD
→ ~~Ed Lynch~~ - SW/3 - HW Lic. File - FYI + file
Colleen Hellenbrand - SW/3



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Carroll D. Besadny
Secretary

Lake Michigan District Headquarters
1125 N. Military Avenue
P.O. Box 10448
Green Bay, WI 54307-0448
TELEPHONE # (414)492-5916
TELEFAX # (414)492-5859

March 27, 1992

Mr. Tom Anders, Environmental Affairs Manager
Peterson Builders, Inc.
P.O. Box 650
Sturgeon Bay, WI 54235-0650

Re: Peterson Builders, Inc. (PBI), Sturgeon Bay, Wisconsin
EPA I.D.#WID096828975 - Closure Documentation Approval
Hazardous Waste Storage Facility

Dear Mr. Anders:

The Department has completed its review of PBI's November 11, 1991 closure documentation of the hazardous waste storage facility. This report was received by the Department on November 13, 1991 and was prepared in part by Timothy Graul Marine Design (TGMD). This report also certified that the rinse solution, following decontamination, was within the maximum concentration level for barium, cadmium, chromium, and lead using the TCLP analytical procedures. It's also noted that there were no detects for the VOC's listed in the report.

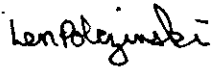
The Department finds that the above noted report, together with previous formal correspondence by PBI; e.g. November 30, 1981, May 9, 1983 and March 8, 1991, adequately documents clean closure of PBI's hazardous waste storage facility. Please note that the Department's acknowledgement of clean closure of the storage facility does not relieve PBI of its obligation to meet all other local, state and federal regulatory requirements.

The hazardous waste interim storage license issued by the Department on April 27, 1983 is hereby terminated. PBI needs to fill out the enclosed Hazardous Waste Status Change Form (#4430-12) to notify the U.S. EPA that PBI no longer holds a hazardous waste storage facility license. (Copy 4 of form 4430-12 is for your records. Please return remaining copies to my office.) Please note that with the surrender of your storage license, no hazardous wastes can be stored in excess of 90 days, treated, or disposed of at this facility. Furthermore, PBI is required to comply with the generator standards of Chapter NR 615 Wis. Adm. Code.

The Department is also notifying you that your proof of financial responsibility for closure of your facility can be released upon written request from your company. This request can be made to Ms. Colleen Hellenbrand at the DNR's Central Office - P.O. Box 7921 - Madison, Wisconsin 53707 (Telephone #608-267-7515).

If you have any questions regarding this letter, please call me at (414) 492-5870.

Sincerely,



Len Polczinski
Solid and Hazardous Waste Unit Leader
Lake Michigan District

LP/kw

cc: Ed Lynch-SW/3
Colleen Hellenbrand-SW/3



SHIP DESIGNERS
AND BUILDERS

HWLIC
Peterson Builders, Inc.

STURGEON BAY, WISCONSIN 54235-0650
101 Pennsylvania Street, P.O. Box 650

(414) 743-5574
TELEX 26-3423
FAX (414) 743-6089

23 April 1991

Mr. Len Polczinski
WDNR
Bureau of Solid Waste Management
P.O.B. 10448
Green Bay, WI 54307-0448

RECEIVED
APR 26 1991
BUREAU OF SOLID -
HAZARDOUS WASTE MANAGEMENT

Dear Mr. Polczinski:

The purpose of this letter is to notify the Department, pursuant to NR685, of PBI's intent to close its hazardous waste storage facility located at 107 East Walnut (WID096828975). We plan to formally submit a Closure Plan to the Department in approximately 45 days. We do not anticipate any major changes from the Closure Plan which is part of our Part B license.

If you have any questions or comments concerning this please contact Gary Higgins at 414-743-5577 Ext 341.

Sincerely,

Charles St. Pierre
Vice President Human Resources

CSP/GH/ss
cc: Gary Higgins
Rich Propsom
Jim Rickun - RMT, Inc.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION V

DATE: NOV 15 1988

SUBJECT: Peterson Builders, Inc.
Referral as HPV from WDNR

FROM: Laura Lodisio, MI/WI Enforcement Section

TO: Bill Muno, Chief
RCRA Enforcement Branch

Thru: Jim Brossman, Chief
MI/WI Enforcement Section

As per your request, I have attached a chronological history of events which lead up to and followed the referral of the above-referenced facility to U.S. EPA from WDNR for violations of financial requirements. This summary is based on information submitted in the referral package from WDNR, as well as, from discussions between Lisa Pierard and WDNR staff, primarily Linda Lynch.

As you can see from the attachment, it was apparent that the financial liability coverage on Peterson Builders was due to expire in November 1987. However, the coverage was terminated on September 1, 1987, due to unavailability of insurance on the market. Date of Discovery of this violation was established on November 4, 1987, based on an WDNR record review. It appeared that Peterson Builders then proceeded to establish compliance through demonstration of a financial test.

The referral for Part B violations was sent to EPA on February 26, 1988. On March 15, 1988, WDNR approved the financial test and returned the facility to compliance. Based on the information presented in the referral package, the period from date of discovery until date of "return to compliance" was a little over four months.

Attachment

Attachment

Peterson Builders - Chronology of Events

- 07-16-87 DNR Letter to Facility (PBI). Assessment of closure costs now \$3,244.84 and notifying that proof of closure financial liability is due 30 days prior to Nov. 24 anniversary date and the need to update closure cost estimate and submit proof of sudden/non-sudden liability coverage.
- 09-01-87 PBI notified that Employers Insurance of Wausau terminated liability coverage due to unavailability of the insurance of the market.
- 11-04-87 District Record Review establishes 11-4-87 as date of discovery for loss of liability coverage.
- 11-06-87 Alexander & Alexander letter to PBI. Update on search for liability coverage. Only found one facility, are checking to see if insurer meets Wisconsin requirements.
- 11-06-87 Donald Johnson (DNR) requests NOV to be issued to PBI.
- 11-23-87 Phone call from PBI to Nichol Mamalou (DNR) - Discussed availability of insurance and PBI's search for an insurance company. PBI said extremely difficult and expensive to obtain.
- 12-01-87 WDNR NOV issued to PBI for closure and financial violations allows 15 days for response.
- 12-18-87 PBI submits response to DNR's NOV; includes closure bond and cost estimates and proof of search for liability coverage.
- 12-18-87 PBI submits exemption request to DNR to use financial test. Submits appropriate documents.
- 01-11-88 RTC letter sent to PBI. DNR is discontinuing enforcement action on 01-15-87 (NOV) and 12-18-7 (NOV) because of the 12-18-87 response. No future enforcement action is necessary.
- 01-28-88 DNR Memo (Internal) recommends PBI be referred to U.S. EPA for Permit violations - closure and financial liability.
- 02-03-88 DNR letter to PBI. Reviewed 12-18-87 and 1-6-88 submittals and requests clarification and additional information for liability and closure. Allows 15 days for response. Neither deny or approve.
- 02-25-88 PBI responds to DNR 2-3-88 request for clarification.
- 02-26-88 DNR letter to PBI. Notification that PBI being referred to U.S. EPA for enforcement action. Also notices that 1-11-88 RTC letter does not cover closure and financial violations.

- 02-26-88 DNR letter to Bill Miner. Referral of PBI for Part B violations.
- 03-15-88 DNR letter to PBI approves financial test and closure bond and requests an original copy of the bond issued November 1981.
- 03-23-88 U.S. EPA letter to DNR notifying DNR that EPA will take no action.
- 03-24-88 DNR memo to EPA transmitting copy of FY 87 year-end and 1st quarter FY 88 evaluation identifying PBI as an HPV by EPA.
- 04-15-88 Letter from WINDR (Kathryn Curtner) to U.S EPA (Bill Muno) expressing concern over EPA's decision to take not action.
- 05-16-88 Letter from Bill Muno to K. Curtner re-iterating justification for "no-action" decision.
- 08-15-88 Letter from WINDR (Curtner) to Peterson indicating U.S. EPA has made a decision not to pursue enforcement.

TO:

Linda Lynch-sw/3

FROM:

Don Johnston - LMD

SUBJECT-MESSAGE

Dear Linda,

Please review the attached information from PBZ and let me know if:

- 1) it is adequate for determining if they qualify for the financial test for liability insurance,
- 2) if PBZ looks like they qualify for using the financial test in lieu of obtaining liability insurance, and
- 3) what PBZ needs to submit if you find the attached information insufficient.

Note that the attached info is NOT confidential. Please file when done.

Thanks,

SIGNED

DJ.

DATE

1/6/88

REPLY

Also (almost forgot) --

Here is a submittal from PBZ on the subject of their closure bond. Is this sufficient to meet NRISL stds? You said at one time that they had to submit original documents -- have they sent anything directly to you? Let me know what else PBZ has to do for closure. DJ.



State of Wisconsin

DEPARTMENT OF NATURAL RESOURCES
RECEIVED D.N.R.

Carroll D. Besadny
Secretary

MAR 22 1988

LAKE MICHIGAN DIST. HQ.

BOX 7921
MADISON, WISCONSIN 53707

March 15, 1988

IN REPLY REFER TO: 4430

Gary Higgins
Peterson Builders Inc.
101 Pennsylvania Street
Sturgeon Bay, WI 54235

Dear Mr. Higgins:

I reviewed the February 25, 1988 financial responsibility submittal from Peterson Builders, Inc., WID096828975. The letter from the Chief Financial Officer is worded as specified and the Alternative I is complete. The Department accepts the financial test submitted by Peterson Builders Inc. as proof of financial responsibility for liability coverage.

The increase rider to Bond #55-105486 provides an additional \$10,500.00. This brings the total amount of the closure performance bond to \$25,000.00. This is adequate to cover the 1988 closure costs for Peterson Builders, Inc. You must provide an original of the bond issued by United Fire and Casualty in November of 1981 which shows the bond number, and an original of the increase rider issued by the same company in December 1987.

Thank you for your prompt response to my February 3, 1988 letter. If you have question regarding my review, please contact me at (608) 266-5741.

Sincerely,

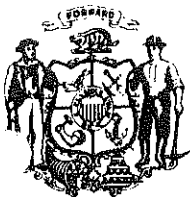
Linda J. Lynch, Chemist
Hazardous Waste Management Section
Bureau of Solid & Hazardous Waste

LJL:ss/4196E

cc: Barb Zellmer - SW/3
Suzanne Bangert - SW/3
Systems Management Section - SW/3
Don Johnston - LMD
Dave Pflug - LMD
Laura Laudisio - EPA Region V
Pete Flaherty - LC/5

Bond Transaction Report

Ex. 25



State of Wisconsin

DEPARTMENT OF NATURAL RESOURCES

Carroll D. Besadny
Secretary

BOX 7921

MADISON, WISCONSIN 53707

February 26, 1988

IN REPLY REFER TO: 4190

RECEIVED
MAR 01 1988

U.S. EPA, REGION V
WASTE MANAGEMENT DIVISION
OFFICE OF THE DIRECTOR

Mr. William Miner
U.S. Environmental Protection Agency
Region V, 5HS/JCK/12
230 South Dearborn Street
Chicago, IL 60604

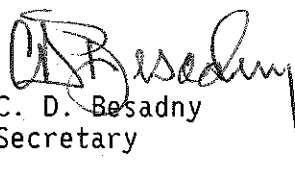
SUBJECT: Referral of Peterson Builders, Inc.

Dear Dr. Miner:

The Department has reason to believe that Peterson Builders, Inc. has violated state and federal regulations regarding failure to update proof of financial responsibility for closure, and failure to submit adequate demonstration of liability insurance coverage. These violations are being referred to the U.S. Environmental Protection Agency as apparent violations of the RCRA Part B Permit issued by EPA on August 6, 1984.

The Department requests U.S. EPA take further enforcement to resolve these apparent violations of Peterson Builders, Inc. Please contact Peter Flaherty, Bureau of Legal Services at (608) 266-8254 or David Pflug of our Lake Michigan District Office at (414) 497-6027 for assistance.

Sincerely,


C. D. Besadny
Secretary

8556I

cc: D. Pflug - LMD
Solid Waste/3
P. Flaherty - LC/5
Mary Murphy - US EPA



State of Wisconsin

DEPARTMENT OF NATURAL RESOURCES

Carroll D. Besadny
Secretary

BOX 7921
MADISON, WISCONSIN 53707

February 3, 1988

IN REPLY REFER TO: 4430

Mr. Gary Higgins
Peterson Builders, Inc.
101 Pennsylvania Street
Sturgeon Bay, WI 54235

Dear Mr. Higgins:

I have reviewed the December 18, 1987 and the January 6, 1988 submittals by Peterson Builders, Inc. I believe clarification of the financial responsibility requirements for liability coverage and closure cost is necessary.

Liability Coverage

A facility may request an exemption from the liability requirements in s. NR 181.42(11), Wis. Adm. Code, if they propose an alternative requirement as provided for in s. NR 181.05, Wis. Adm. Code. The financial test may be acceptable as an alternative requirement to liability insurance if all the necessary information is submitted and all criteria are met. The submittals include a letter from the Chief Financial Officer that is specifically worded, Alternative I or II completely filled out, an independent certified public accountant's (CPA) examination of the facility's financial statements, and a special report from the independent CPA on the comparison of the data used in the alternative and the financial statements. The letter from the Chief Financial Officer should be a signed duplicate original.

The criteria used to measure acceptability are the ratios and/or bond rating given in the alternative used, the wording of the submittals, proper reference to Wisconsin Administrative Code, and the opinions expressed by the independent CPA.

Peterson Builders, Inc. submittal does not contain the necessary information to adequately review their financial status and approve or disapprove the financial test. The letter from the Chief Financial Officer must reference Chapter NR 181, Wis. Adm. Code, and must be worded as specified in the proposed s. NR 181.42(11)(i), Wis. Adm. Code, (attached). Peterson Builders, Inc. used Alternative I, but did not submit a complete Alternative I. The independent CPA's special report did provide a comparison of the Alternative I data and the financial statements. An independent CPA must report on their examination of the facility's financial statements in accordance with generally accepted accounting practices. This auditor's opinion is usually part of the year-end audit.

Closure Cost Coverage

Facilities are required to assure their closure plan and cost estimates are up-to-date. The original proof mechanism (performance bond, letter of credit, etc.) is held by the Department to insure adequate funds are available to properly close the hazardous waste portion of the facility.

The 1987 closure cost estimate for Peterson Builders, Inc. is \$23,300.60. When adjusted for the estimated 1988 inflation of 2.7%, the cost estimate equals \$23,929.72. Therefore, Peterson Builders, Inc. must have this adjusted amount guaranteed by some proof mechanism. Peterson Builders, Inc. has an original performance bond from United Fire and Casualty Company on file with the Department. The bond has no number assigned to it, but is for \$3,192.70. A photocopy of an increase rider to bond #55-105486 was submitted with the other financial information on December 18, 1987. The information on the increased rider does not correspond to the bond information the Department currently has on file for Peterson Builders, Inc. An original bond or an original bond and increased rider which total a minimum of \$23,929.72 must be submitted.

I feel Peterson Builders, Inc. has provided adequate documentation to justify the use of the financial test as an alternative to liability insurance. However, we need the information specified earlier in this letter, including the updated closure bond, no later than 15 days from the receipt of this letter. If you have questions regarding my review of your submittals or on owner financial responsibility in general please contact me at (608) 266-5741.

Sincerely,

Linda J. Lynch

Linda J. Lynch, Chemist
Hazardous Waste Management Section
Bureau of Solid Waste Management

LJL:jmc/2720E

Enc.

cc. Barb Zellmer - SW/3
Suzanne Bangert - SW/3
Don Johnston - LMD
Dave Pflug - LMD
SMS - SW/3

P.C. Don Johnston
pc Linda Lynch-sw/3
1/6/88

PARSONS, KRAMER and RANKIN
Certified Public Accountants

December 18, 1987

WESLEY B. PARSONS, Founder
1907 - 1985

JAMES W. PARSONS

JAY M. KRAMER

DEBORAH A. RANKIN

10 NORTH THIRD AVENUE
STURGEON BAY, WISCONSIN 54235
PHONE 743-6291

State of Wisconsin
Dept. of Natural Resources
Lake Michigan District Headquarters
1125 North Military Avenue
Post Office Box 10448
Green Bay, WI 54307-0448

Attn: David E. Pflug
Environmental Enforcement Coordinator

Dear Mr. Pflug:

RE: PETERSON BUILDERS, INC.
P. O. Box 47
Sturgeon Bay, WI 54235-0047

We have examined the letter dated December 18, 1987 from Ray Alfson, Chief Financial Officer at Peterson Builders, Inc.

We have compared it to the company's financial statement and in connection with this procedure, have found no reason to believe the data should be adjusted.

Very truly yours,

PARSONS, KRAMER and RANKIN


James W. Parsons
James W. Parsons
Certified Public Accountant

JWP:vf

(ALTERNATIVE 1)

1.	Amount of annual aggregate liability coverage to be demonstrated	\$ 2,000,000
*2.	Current Assets	28,680,178
*3.	Current liabilities	16,195,991
*4.	Net working capital (Line 2 minus line 3)	12,484,187
*5.	Tangible net worth	19,532,617
*6.	If less than 90% of assets are located in the U.S., give total U.S. assets	100% U.S.

I hereby certify that the wording of this letter is identical to the wording specified in 40 C.F.R., Section 264.151(g) as such regulations were constituted on the date shown immediately below.


Raymond F. Alfson
Vice President - Finance
December 10, 1987



Peterson Builders, Inc.

SHIP DESIGNERS
AND BUILDERS

STURGEON BAY, WISCONSIN 54235-0650
101 Pennsylvania Street, P.O. Box 650

(414) 743-5574
TELEX 26-3423

December 18, 1987

State of Wisconsin
Dept. of Natural Resources
Lake Michigan District Headquarters
1125 North Military Avenue
P.O. Box 10448
Green Bay, WI 54307-0448

Attention: David E. Pflug
Environmental Enforcement Coordinator

Dear Mr. Pflug:

I am the chief financial officer of Peterson Builders, Inc., 101 Pennsylvania Street, Sturgeon Bay, Wisconsin. This letter is submitted in support of Peterson Builders, Inc.'s ("PBI'S") request for an exemption from the requirements of NR 181.42(11) to use the financial test to demonstrate financial responsibility for liability coverage as specified in the U.S. Environmental Protection Agency regulations under 40 C.F.R., Section 265.147(f) (1986).

PBI is the owner and operator of the following facilities for which liability coverage is being demonstrated through the financial test specified in 40 C.F.R., Section 265.147(f):

EPA I.D. No.: WID 096828975

Name: Peterson Builders, Inc.

Facility Location: 107 East Walnut
Sturgeon Bay, Wisconsin

PBI is not required to file a Form 10K with the Securities and Exchange Commission ("SEC") for the latest fiscal year.

PBI's fiscal year ends August 31. The figures for the following items marked with an asterisk are derived from PBI's independently audited, year-end financial statements for the latest completed fiscal year ended August 31, 1987.

CONCLUSION

PBI has demonstrated that it has the financial ability to meet the requirements of the alternative test for financial responsibility for sudden accidental releases from its hazardous waste storage facility. Because an exemption to the DNR's financial liability requirement will not pose an increased threat to human health and the environment, PBI respectfully requests that the DNR grant its request for an exemption.

Yours very truly,

PETERSON BUILDERS, INC.



Ray F. Alfson
Vice President - Finance

RA/co
Enc.



SHIP DESIGNERS
AND BUILDERS

Peterson Builders, Inc.

STURGEON BAY, WISCONSIN 54235-0650
101 Pennsylvania Street, P.O. Box 650

(414) 743-5574
TELEX 26-3423

PC Don Johnston
PC - Linda Lynch-sw/3
1/6/88

December 18, 1987

RECEIVED DNR

DEC 21 1987

Lake Mich. Dist.

State of Wisconsin
Dept. of Natural Resources
Lake Michigan District Headquarters
1125 North Military Avenue
Post Office Box 10448
Green Bay, WI 54307-0448

Attention: David E. Pflug
Environmental Enforcement Coordinator

Dear Mr. Pflug:

Please consider this correspondence our request for exemption.

Pursuant to NR 181.05, Peterson Builders, Inc. ("PBI") hereby requests an exemption from the Wisconsin Department of Natural Resources ("DNR") financial liability requirements specified in NR 181.42(11). In this exemption request, PBI seeks to use the financial test specified by the U.S. Environmental Protection Agency ("EPA") under 40 C.F.R. Section 265.147(f) in lieu of commercial liability insurance to demonstrate financial responsibility for sudden accidental occurrences.

BACKGROUND

PBI is a ship manufacturer located in Sturgeon Bay, Wisconsin. As part of its manufacturing operations, PBI generates hazardous wastes. PBI operates a hazardous waste storage facility (EPA Id. No. WD 096282975) located on its manufacturing premises, for which it has obtained a Part B permit under Wisconsin DNR hazardous waste management regulations, NR 181.01 et seq. Pursuant to those regulations and the terms of its Part B permit, PBI must demonstrate financial responsibility for sudden accidental occurrences.

The Wisconsin DNR regulations require that financial responsibility be demonstrated through liability insurance. Because commercial liability insurance is unavailable, PBI seeks to demonstrate financial responsibility through use of the alternative test provided under the EPA's regulations.

PBI'S NEED FOR THE EXEMPTION

PBI maintained the requisite liability insurance until September 1, 1987, at which time its carrier, Employers Insurance of Wausau, Inc., terminated coverage for environmental liability due to the unavailability of such insurance in the reinsurance market. Diligent attempts by PBI to replace the coverage through other carriers have been unsuccessful. As a result, PBI has reviewed alternative means of providing financial assurances for sudden accidental occurrences. To date, efforts to form or join Risk Retention Groups have been unavailing. PBI therefore seeks an exemption from the State's insurance requirement to provide its own financial responsibility using the alternative test method outlined by EPA in 40 C.F.R. 265.147(f) and 265.151(g).

As demonstrated herein, PBI can provide satisfactory assurances through its own assets of financial responsibility for sudden accidental occurrences that may be associated with its activities at the covered facility. The required annual aggregate liability for sudden occurrences is \$2 million. As is shown in Attachment 1, PBI meets and far exceeds the federal requirements for self insurance necessary to cover this liability, thereby providing the same level of control and protection as that provided by commercial insurance coverage.

AN EXEMPTION WILL NOT POSE AN INCREASED
THREAT TO HUMAN HEALTH AND THE ENVIRONMENT

Granting an exemption allowing PBI to use the alternative test for providing financial responsibility ("self insurance") will not pose an increased threat to human health and the environment. The exemption to self-insure will not: (1) affect the quantity, composition and degree of hazard of PBI's waste to be managed; (2) pose potential degradation of the environment; or (3) cause nuisance conditions.



SHIP DESIGNERS
AND BUILDERS

Peterson Builders, Inc.

STURGEON BAY, WISCONSIN 54235-0047
101 Pennsylvania Street, P.O. Box 47

(414) 743-5574
TELEX 26-3423

18 December 1987

RECEIVED DNR
DEC 21 1987
Lake Mich. Dist.

Mr. David E. Pflug
Environmental Enforcement Coordinator
Lake Michigan District Headquarters
1125 N. Military Avenue
P.O. Box 10448
Green Bay, WI 54307-0448

- Encls: (1) Documentation of Closure Costs
(2) Closure Bond
(3) Job Descriptions for Fiberglass Dept. Personnel
(4) PBI letters dtd 6 November 1987
(5) Alexander & Alexander letter dtd 6 November 1987
(6) President's Memo

Dear Mr. Pflug:

This letter is in response to the two letters you sent to Mr. E.L. Peterson concerning violations of Chapter 144 of the Wisconsin Statutes. I will address three of the four violations and our Chief Financial Officer will address the issue of liability insurance coverage in a separate letter.

Enclosure (1) contains a quotation from Aqua-Tech Inc. for proper disposal of the maximum quantities of wastes that could be present at the facility. Also attached is a closure cost estimate developed by Ms. Donna Witkowski, a degreed Industrial Engineer. I believe this satisfies the requirements of Section NR 181.42(10)(d), Wis. Adm. Code.

Enclosure (2) is a rider that increases the amount of the closure performance bond to 25,000 dollars. I believe this satisfies the requirements of Section NR 181.42(10)(g), Wis. Adm. Code.

Enclosure (3) is a package of job descriptions for Fiberglass Department personnel defining their responsibilities in connection with the handling of hazardous wastes. Copies of these job descriptions will be sent to the appropriate agencies. I believe this satisfies the requirements of Section NR 181.42(5)(d)2., Wis. Adm. Code.

Peterson Builders has over the past year found it necessary to reduce its management and administrative staff significantly. As a result of this those of us remaining were asked to take on additional responsibilities. I hope you will understand that under these

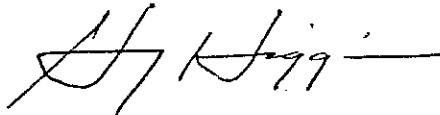
Mr. David E. Pflug
18 December 1987
Pg 2

conditions certain matters do get overlooked. It is my sincere belief that this is the primary cause for our company's failure to take action on the items for which we have received Notices of Violation. In your consideration for the need for further enforcement action I ask that you consider the following information:

Approximately three months ago our newly appointed General Manager asked me to do a independent assessment of our environmental compliance status. The essence of my findings was that because of the reduction in force it was highly likely that certain administrative requirements were not being met. He asked me to look into this matter further and in complying with his direction, I contacted Mr. Don Johnston of the LMD and asked him to meet with me to discuss this issue. We met on October 6, 1987 and Mr. Johnston advised me of those items which we are responding to at this time, and one which has already been satisfied. Since no one was specifically designated to handle the issues I took it upon myself to begin to look into and satisfy the requirements. For example, Enclosure (4) is letters sent to licensed disposal facilities in order to obtain an estimate that could be used for determining closure costs and obtaining an appropriate bond. Enclosure (5) is a letter I received from one of many insurance brokers I contacted relative to liability insurance for accidental spills. I met with our executive management in mid-November and made them aware of our situation and what I was doing to resolve these issues. At that time I was asked to assume the responsibility of seeing that Peterson Builders is in compliance with all environmental laws and regulations. I believe the President's memorandum announcing his decision (Enclosure [6]) sets forth quite succinctly the Company's attitude toward compliance.

If you have any questions or comments regarding this letter or wish to discuss it further, please call.

Sincerely,



Gary Higgins
Environmental Coordinator

GH/ss

cc: Mr. Don Johnston, LMD w/Enclosures
Mr. Ellsworth Peterson, w/o Enclosures
Mr. Tom Kerley, w/o Enclosures

Encl (1)
pc - 5413
1/6/88

14 December 1987

MEMORANDUM

TO : Gary Higgins

FROM: Donna Witkowski

SUBJ: Closure Bond

Attached is a copy of the calculations used to obtain closure cost estimates. The inflation rate was provided by Vera Starch of the Bureau of Information. A 9 December conversation with Mr. Don Johnston, of the DNR, indicated the closure cost estimate is adequate. Although the cost was estimated at \$23,929.72, the bond amount was set at \$25,000.

Donna J. Witkowski
Donna J. Witkowski

DJW:slv

Encl.

CLOSURE COST ESTIMATE

I. Drum disposal (Aqua-Tech, Inc. estimate)	22,760.00
pickup fee	150.00

II. Scrub floor and clean equipment:

3 men for 3 hrs. (\$9.50/hr. + 40% fringe)	119.70
1 supervisor for 1 hr. (\$15.00/hr. + 40% fringe)	21.00

III. Load scrub water in barrels:

3 men for 1 hr. (\$9.50/hr. + 40% fringe)	39.90
1 supervisor for 1 hr. (\$15.00/hr. + 40% fringe)	21.00

IV. Load barrels on truck:

1 forklift operator for 5 hrs. (\$12.00/hr. + 40% fringe)	84.00
--	-------

V. Final inspection and manifests

1 salaried supervisor for 3 hrs. (\$25.00/hr. + 40% fringe)	<u>105.00</u>
--	---------------

TOTAL ESTIMATED CLOSURE COST	<u>\$23,300.60</u>
------------------------------	--------------------

BOND AMOUNT = Estimated Closure Cost (1 + Annual rate of inflation)

= 23,300.60 (1.027)

BOND AMOUNT = \$23,929.72

pc-5-13
1/6/88

Enc 1 (2)

INCREASE-DECREASE RIDER

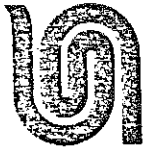
To be attached to and form a part of _____ closure perf.
Bond No. 55-105486, executed the 12th day of June, 1986,
in behalf of Peterson Builders, Inc.
and in favor of State of Wisconsin Dept. of Natural Resources
in the penal sum of Fourteen thousand five hundred and no/100-----
Dollars (\$ 14,500.00-----).

It is agreed that from and after the 9th day of December, 19 87,
the amount of said bond shall be increased by the sum of Ten thousand
five hundred and no/100----- Dollars (\$10,500.00-----),
making the new total amount of the bond Twenty-five thousand and no/100-----
Dollars (\$ 25,000.00-----). Provided,
however, the total liability of UNITED FIRE & CASUALTY COMPANY under said bond
and this rider shall not exceed the sum of Twenty-five thousand and no/100-----
Dollars (\$ 25,000.00-----).

All other terms, conditions and limitations of this bond remain unchanged.

PETERSON BUILDERS, INC.
[Signature]
Principal

UNITED FIRE & CASUALTY COMPANY
By [Signature]
Attorney-in-fact



UNITED FIRE & CASUALTY COMPANY
HOME OFFICE — CEDAR RAPIDS, IOWA

CERTIFIED COPY OF POWER OF ATTORNEY

(Original on file at Home Office of Company — See Certification)

KNOW ALL MEN BY THESE PRESENTS, That the UNITED FIRE & CASUALTY COMPANY, a corporation duly organized and existing under the laws of the State of Iowa, and having its principal office in Cedar Rapids, State of Iowa, does make, constitute and appoint Richard J. Ehlinger, or Maynard L. Hansen, or Scott McIntyre, Jr., or R. G. Heckroth, or J. F. Coleman, or J. A. Chapin, or Lois M. Schuchmann, or Mark Wiebersch, or David A. Lange, All Individually

of Cedar Rapids, Iowa

its true and lawful Attorney(s)-in-Fact with power and authority hereby conferred to sign, seal and execute in its behalf all lawful bonds, undertakings and other obligatory instruments of similar nature as follows:

--Any and All Bonds--

and to bind UNITED FIRE & CASUALTY COMPANY thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of UNITED FIRE & CASUALTY COMPANY and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

The Authority hereby granted shall expire June 26,

19 89 unless sooner revoked.

This power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company on April 18, 1973.

"Article V — Surety Bonds and Undertakings."

Section 2. Appointment of Attorney-in-Fact. "The President or any Vice President, or any other officer of the Company, may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. The signature of any officer authorized hereby, and the Corporate seal, may be affixed by facsimile to any power of attorney or special power of attorney or certification of either authorized hereby; such signature and seal, when so used, being adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Vice President, the Board of Directors or any other officer of the Company may at any time revoke all power and authority previously given to any attorney-in-fact.

IN WITNESS WHEREOF, the UNITED FIRE & CASUALTY COMPANY has caused these presents to be signed by its vice president and its corporate seal to be hereto affixed this

26th day of June

A.D. 19 87

UNITED FIRE & CASUALTY COMPANY

By

Harold A. Hagen
Executive Vice President

State of Iowa, County of Linn, ss:

On this 26th day of June 19 87, before me personally came Harold A. Hagen to me known, who being by me duly sworn, did depose and say: that he resides in Cedar Rapids, State of Iowa; that he is a Vice President of the UNITED FIRE & CASUALTY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

C. Richard Ekstrand
Notary Public

My commission expires August 10, 19 89



CERTIFICATION

I, the undersigned officer of the UNITED FIRE & CASUALTY COMPANY, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

In testimony whereof I have hereunto subscribed my name and affixed the corporate seal of the said

Company this 9th day of December

19 87

Glen H. Smith, Jr.
Secretary



APPLICABLE TO GENERATOR PROGRAM ONLY

POSITION TITLE: FIBERGLASS FOREMAN

NAME OF EMPLOYEE:

POSITION REQUIREMENTS:

- ° Ensure all employees receive hazardous waste training relevant to position and duties prior to placement in work environment.
- ° Establish collection sites for all hazardous materials and monitor to ensure proper collection procedure is followed.
- ° Maintain weekly log of hazardous waste collection container inspections for:
 - number of containers
 - waste leakage
 - deterioration or damage
 - maturity date
- ° Ensure all containers which are full or have reached maturity date (90 days) are removed to a safe warehouse.
- ° Using hazardous waste Generator Contingency Plan develop and implement emergency squad and sequence plan for any emergency involving fiberglass related materials or equipment.
- ° Provide and maintain the following documentation:
 - Weekly hazardous waste container inspection log.
 - Material Safety Data Sheets for all materials used by department employees.
 - Job title for each position in department related to hazardous waste management and name of employee filling each job.
 - Written description for each position.
 - Description of type and amount of training.
 - Records of documentation of training for personnel.

APPLICABLE TO GENERATOR PROGRAM ONLY

POSITION TITLE: FIBERGLASSER

NAME OF EMPLOYEE:

POSITION REQUIREMENTS:

- ° Proper disposal of solvents by use of labeled barrel system.
- ° Ensure work area is adequately ventilated.
- ° Identify and use proper protective equipment as recommended by individual Material Safety Data Sheets.
- ° Notify Emergency Coordinator and respond to all emergency situations as prescribed in Shop Contingency Plan.

APPLICABLE TO GENERATOR PROGRAM ONLY

POSITION TITLE: GUN OPERATOR

NAME OF EMPLOYEE:

POSITION REQUIREMENTS:

- ° Ensure disposal barrels are U.S. D.O.P. specification 17-E and in good condition prior to establishment as "collection" barrel.
- ° Ensure disposal barrels are correctly labelled for material to be collected.
- ° Stencil or paint on top of new barrels:
 - collection start date
 - solvent name
 - assigned PBI control number
- ° Notify foreman when barrel is full.
- ° Ensure disposal of wastes generated daily.
- ° Ensure work area is adequately ventilated.
- ° Identify and use proper protective equipment as recommended by individual Material Safety Data Sheets.
- ° Notify Emergency Coordinator and respond to all emergency situations as prescribed in Shop Contingency Plan.



SHIP DESIGNERS
AND BUILDERS

Peterson Builders, Inc.

STURGEON BAY, WISCONSIN 54235-0047
101 Pennsylvania Street, P.O. Box 47

(414) 743-5574
TELEX 26-3423

pc-sw/3
1/6/88

Encl. (4)

6 November 1987

Mr. Harold Lowel
Wisconsin Research & Reclamation Co., Inc.
Route 7
Eau Claire, WI 54701

Dear Harold:

Please provide to me an estimate in writing for the proper disposal of the following listed hazardous wastes:

- 4510 gallons (82 barrels) of F003
- 440 gallons (8 barrels) of F005
- 440 gallons (8 barrels) of F002
- 110 gallons (2 barrels) of U028
- 110 gallons (2 barrels) of Waste Water (from clean up)

Your prompt attention to this matter will be greatly appreciated.

Sincerely,

Gary Higgins
Environmental Coordinator

GH/DK/ss



SHIP DESIGNERS
AND BUILDERS

Peterson Builders, Inc.

STURGEON BAY, WISCONSIN 54235-0047
101 Pennsylvania Street, P.O. Box 47

(414) 743-5574
TELEX 26-3423

6 November 1987

Mr. Bruce Tenhaken
Aqua Tech, Inc.
140 South Park Street
Port Washington, WI 53074

Dear Bruce:

Please provide to me an estimate in writing for the proper disposal of the following listed hazardous wastes:

- 4510 gallons (82 barrels) of F003
- 440 gallons (8 barrels) of F005
- 440 gallons (8 barrels) of F002
- 110 gallons (2 barrels) of U028
- 110 gallons (2 barrels) of Waste Water (from clean up)

Your prompt attention to this matter will be greatly appreciated.

Sincerely,

Gary Higgins
Environmental Coordinator

GH/DK/ss

cc: David Murphy - Aqua Tech, Inc.

Murphy

**Alexander
& Alexander**

Murphy Insurance Division
Alexander & Alexander Inc.
701 Cherry Street
P.O. Box 1204
Green Bay, Wisconsin 54305-1204
Telephone 414 437-7123
TWX 910-263-1265
Telefax 414 437-2401

November 6, 1987

Mr. Gary Higgins
Peterson Builders Inc.
P.O. Box 650
Sturgeon Bay, WI 54235-0650

Dear Gary:

I wanted to update you on the status of our search for insurance coverage for potential pollution liability. At this point it appears that only one potential insurance company exists. This insurer is the Environmental Protection Insurance Company (EPIC). We are presently checking to see if this Insurer will meet State of Wisconsin requirements.

As soon as we have something to report, we will call you.

Sincerely yours,

Murphy/Alexander & Alexander

Stan Berg/pw

Stanley B. Berg

SBB/pw

cc: Ray Alfson
Peterson Builders Inc.
P.O. Box 650
Sturgeon Bay, WI 54235-0650

pc-5-13
11/6/88

Encl (6)

24 November 1987

MEMORANDUM

From: E L Peterson
To: Distribution
Subject: Environmental Compliance

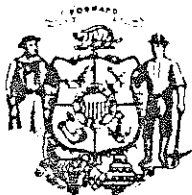
Environmental compliance is everyone's responsibility and it is the policy of Peterson Builders, Inc. that our Company and its Employees will comply with the letter and spirit of environmental laws and regulations.

It is important for each of us to remain aware of our many environmental responsibilities. This is not often an easy task since environmental laws and regulations have proliferated in recent years and compliance has become more complex, more difficult and more expensive. Nevertheless, the costs of noncompliance (which can include adverse health effects, substantial civil and criminal penalties, and even loss of government contracts) are far more severe.

To assist PBI in complying with the law, I am designating Gary Higgins as the Company's Environmental Coordinator. It is Gary's job to make sure that all of us do what is necessary and coordinate all of our efforts. I expect each officer and employee of PBI to cooperate fully with Gary in tackling this difficult but important assignment. Our success in this effort is key to the maintenance of a safe working environment for our employees, and good relationships with our community and state regulators. Environmental compliance makes good business sense, and Peterson Builders, Inc. is committed to that goal.



Distribution:			
John Beales	Bill Gerl	Sandy Lampereur	T O Kerley
Bob Nelson	Steve Kazmar	Gary Karnopp	J Soderlund
Larry Iverson	Ev Mattke	John Purves	FJP II
Arps Horvath	Orville Gauger	Ron Weber	Ed Propsom
Ron Johnson	Dick Russell	Al Tebon	Ray Alfson
Ken Schneider	Darrel Birnschein	Larry McKinney	
Pat Daul	Steve Propsom	Bob Weckler	
Jim Peterson	Gary Higgins	Dave Pelc	
Ron Rossway	Doug Washburn	Jan Washburn	



State of Wisconsin

DEPARTMENT OF NATURAL RESOURCES

RECEIVED D.N.R.

JUL 31 1987

LAKE MICHIGAN DIST. HQ.

Carroll D. Besadny

Secretary

BOX 7921

MADISON, WISCONSIN 53707

File Ref: 4430

July 16, 1987

Mr. John Beales
Peterson Builders
107 East Walnut Street
Sturgeon Bay, WI 54956

EPA ID #WID096828975

Dear Mr. Beales:

Our most recent assessment of the closure cost for Peterson Builders is \$3,244.84. This assessment assumes you will use a performance/forfeiture bond to provide proof of financial responsibility for closure as you have in the past. You must provide this proof, or a copy of previous submittals, thirty days prior to your anniversary date of November 24, to the Lake Michigan District Office of the DNR in accordance with NR 181.42(10).

When updating the closure costs for your facility, you are responsible for assuring your closure plan is adequate and closure cost estimates are accurate. Your closure plan and cost estimates must reflect current conditions at your facility. Failure to provide accurate closure cost estimates violates s. NR 181.42(10).

In addition to financial responsibility for closure, you must demonstrate liability coverage for sudden and/or non-sudden accidental occurrences as specified in s. NR 181.42(11).

If you plan to change your proof mechanism for closure or liability coverage, please contact your district hazardous waste specialist.

Sincerely,

Paul P. Didier

Paul P. Didier, PE, Director
Bureau of Solid Waste Management

PPD:LL:msg

cc: LMD HW Specialist
Linda Lynch (File) - SW/3

DISTRICT FINANCIAL RESPONSIBILITY TRACKING

Run Date 12/3/86
District Lake Michigan

ANN DATE	EPA ID	LIC NAME	ACT PROOF	CLOS COMM	EXPIR	FR TYPE	CURR CLOS
20-Nov-81	W1000454588	Batten Processing Co., Div. H. Samuel Co.		NOKA, PB Relsd		performance/forfeiture bond	\$0.00
20-Nov-81	W1000115986	American Can Company	\$11,650.00	Closed		performance/forfeiture bond	\$0.00
20-Nov-81	W1000808204	American Can Company	\$11,500.00	Closed		performance/forfeiture bond	\$0.00
24-Nov-81	W1000828975	Peterson Builders	\$3,192.70		01/01/82	performance/forfeiture bond	\$3,244.84
25-Nov-81	W1000808444	Kimberly-Clark-Dow, Facility North	\$19,225.00			performance/forfeiture bond	\$20,870.47
25-Nov-81	W10008125859	Kimberly-Clark Corp-Atlas Mill	\$52,902.00			performance/forfeiture bond	\$58,608.87
06-Jan-82	W1002338635	Scott Paper Company	\$1,415.73	Cong Status		deposit	\$0.00
06-Jan-82	W10002270247	Scott Paper Co.	\$1,228.20	NOKA		deposit	\$0.00
24-Jun-82	W10006078141	Paragon Electric Co., Inc.	\$10,000.00			performance/forfeiture bond	\$5,566.54
15-Jun-83	W10006068388	Hamilton Industries	\$11,391.00			performance/forfeiture bond	\$53,253.54
19-Apr-84	W10048816239	De Pere Foundry, Inc.	\$2,500.00			letter of credit	\$0.00
19-Jul-84	W10008144737	Curwood Incorporated	\$2,191.11			deposit	\$0.00
20-Apr-85	W10008125215	Harwood U. S., Inc.-Arsu) Fire Protection	\$62,727.88			performance/forfeiture bond	\$68,238.40
05-Feb-86	W10081032248	Naupaca Foundry Landfill	\$38,925.00			deposit	\$350,585.30



Wausau Insurance Companies

A Member of the Nationwide® Group

RECEIVED
MAY 26 1987

U.S. EPA, REGION V
WASTE MANAGEMENT DIVISION
OFFICE OF THE DIRECTOR

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
U.S. EPA Region V
230 South Dearborn Street
Chicago, IL 60604

RECEIVED
May 22, 1987
MAY 26 1987

SOUTH WASTE DIVISION
U.S. EPA, REGION V

Pollution Liability Policy
Number 0136-15-030672
Peterson Builders, Incorporated

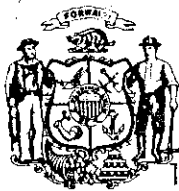
Form 515-6206, Hazardous Waste Facility Certification of Pollution Liability Insurance for Sudden and Nonsudden Accidental Occurrence, was filed effective May 12, 1983 under the above policy for the following locations:

<u>EPA ID Number</u>	<u>Name and Address</u>
WID006124349	PBI: 101 Pennsylvania Street Sturgeon Bay, WI 54235
WID096828975	PBI: 107 East Walnut Street Sturgeon Bay, WI 54235

Effective September 1, 1987, the coverage under this contract is being canceled and our certification will no longer apply.

T. E. Kampschroer

T. E. Kampschroer
Senior Casualty Underwriter
W 14



State of Wisconsin / DEPARTMENT OF NATURAL RESOURCES
Lake Michigan District Headquarters
1125 North Military Avenue
Post Office Box 3600
Green Bay, WI 54303-1208

Carroll D. Besadny
Secretary

March 23, 1983

File Ref: 4430

Mr. John Beales
Peterson Builders Inc.
101 Pennsylvania Avenue
Sturgeon Bay, WI 54235

Dear Mr. Beales:

Re: Closure Plan, Cost Estimates and Proof of
Financial Responsibility for Hazardous Waste
Storage Facility WID096828975


The following is in response to your March 1, 1983 letter in which you stated PBI waste can be disposed of waste without recycling at the rate of \$10.00/drum. Documentation provided included cost estimates dated September 10, 1981, from Hydrite Chemical.

I called Mr. Robert Zeka of Hydrite about these cost estimates. He explained that the \$10.00/drum price included freight and disposal of an empty drum assuming the contents of the drum were reclaimable. As I explained previously the value of recyclable waste cannot be used when determining closure cost estimates. Cost estimates must be developed using landfill, incinerator, or treatment as the final disposal mechanism.

Peterson Builders Inc. indicated the maximum storage capacity was 200 55-gallon drums (11,000 gallons) on the EPA Part A and the Part B submittals. The closure plan, cost estimates and financial proof mechanism currently on file with the Department are based on 50 55-gallon drums (2,650 gallons) not 200. The closure plan, cost estimates and financial proof mechanism should be changed to reflect the 200 drum maximum. These changes and closure cost documentation in addition to the submittals requested in George Kraft's February 17, 1982 letter must be submitted within 30 days.

Please call me if you have any questions at 414-497-4397.

Sincerely,


James Reyburn
Hazardous Waste Specialist

JR:cs

cc: Bureau of Solid Waste - SW/3
Renato Millan - SW/3

RECEIVED
MAR 25 1983
EPA REGION 5
OFFICE OF REGIONAL
ADMINISTRATOR

095-5